

# **Chapter 263, P.L. 2003**

(Approved January 14, 2004)

[First Reprint]

## **SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 2161**

# **STATE OF NEW JERSEY 210th LEGISLATURE**

ADOPTED DECEMBER 4, 2003

**Sponsored by:**

**Senator JOSEPH SULIGA**

**District 22 (Middlesex, Somerset and Union)**

### **SYNOPSIS**

Provides option for enrolling officers and employees of bi-state and multi-state agencies in PERS; permits purchase of service credit in PERS by former agency employees.

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### CURRENT VERSION OF TEXT

As amended by the Senate on December 11, 2003.

**AN ACT** concerning the enrollment of officers and employees of interstate compact agencies in the Public Employees' Retirement System of New Jersey and the purchase of service credit in that system and amending P.L.1954, c. 84 and P.L.1963, c.19.

**BE IT ENACTED** *by the Senate and General Assembly of the State of New Jersey:*

1. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to read as follows:

73. a. (1) The Public Employees' Retirement System is hereby authorized and directed to enroll eligible employees of the New Jersey Turnpike Authority, [the New Jersey Highway Authority,] Palisades Interstate Park Commission, Interstate Environmental Commission, the Delaware River Basin Commission and the Delaware River Joint Toll Bridge Commission.

In the case of the Delaware River Joint Toll Bridge Commission, the eligible employees shall be only those who are employed on the free bridges across the Delaware river, under the control of said commission, or who are members of the retirement system at the time they begin employment with the commission.

The said employees shall be subject to the same membership, contribution and benefit provisions of the retirement system as State employees.

(2) In addition to those agencies named in paragraph (1) of this

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Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate floor amendments adopted December 11, 2003.

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subsection, the Public Employees' Retirement System is hereby authorized and directed to enroll an eligible officer or employee, excluding a police officer or firefighter, of a bi-state or multi-state agency established pursuant to an interstate compact to which this State is a party, if the officer or employee is a resident of this State at the time of appointment or employment with the agency and the governing body of the agency has adopted a resolution, and filed a certified copy of the resolution with the board of the retirement system, that permits such an officer or employee to enroll. The enrollment shall be at the option of the officer or employee so permitted. A filed resolution shall define each category of officer or employee who may enroll in the retirement system, and the resolution may apply to those officers or employees initially appointed or employed on or after January 1, 2002.

The resolution shall be in a form prescribed by the <sup>1</sup>[division and shall provide for the period within which an eligible officer or employee shall be enrolled] Division of Pensions and Benefits. The election by an officer or employee to enroll in the retirement system shall be made within 90 days of the date of eligibility<sup>1</sup>. Once enrolled, the officer or employee shall remain a member of the retirement system during the period of continuous service with the agency. <sup>1</sup>The officer or employee shall not be enrolled simultaneously in more than one retirement system based on the same service with the agency.<sup>1</sup>

An enrolled officer or employee who was appointed or employed on or after January 1, 2002 shall receive credit for service with the agency rendered prior to enrollment if there is paid into the appropriate fund of the retirement system at the time of enrollment, either by the agency or by the officer or employee, the full purchase amount required by applying the factor, supplied by the actuary, as being applicable to the officer's or employee's age at the time of purchase, to the officer's or

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employee's salary at the time of purchase or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership in the retirement system, whichever is greater. An officer or employee who was a member of the retirement system on the date continuous service with the agency began and who has not withdrawn the employee contributions from the system, shall participate in the retirement system under the former membership. A bi-state or multi-state agency that files a resolution pursuant to this paragraph shall for all purposes of P.L.1954, c.84 (C.43:15A-1 et seq.) be deemed an employer, and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of P.L.1952, c.215 (C.43:3A-1 et seq.), P.L.1958, c.143 (C.43:3B-1 et seq.), P.L.1968, c.23 (C.43:3C-1 et seq.), P.L.1981, c.213 (C.43:3C-4 and 43:3C-5), P.L.1986, c.188 (C.43:3C-9), and P.L.1997, c.113 (C.43:3C-9.1 et seq.), as are applicable to State employees. As a condition, the agency shall consent to participation in the New Jersey agreement with the Social Security Administration.

2. Section 2 of P.L.1963, c.19 (C.43:15A-73.1) is amended to read as follows:

2. A member may file a detailed statement of public employment in other states or with the United States Government which would be eligible for credit in a State-administered retirement system if the employment was with a public employer in this State, or of military service in the Armed Forces of the United States, or of service resulting from initial appointment or employment on or after January 1, 2002 with a bi-state or multi-state agency established pursuant to an interstate compact to which the State is a party which would be eligible for credit in a State-administered retirement system if the employment was with a public employer in this State, rendered prior to becoming a member, for which the member desires credit, and of such other facts as the retirement system may require. The member may purchase credit for all or a portion

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of the service evidenced in the statement up to the nearest number of years and months, but not exceeding 10 years, provided however, that a member purchasing that maximum credit may purchase up to five additional years for additional military service qualifying the member as a veteran as defined in section 6 of P.L.1954, c.84, (C.43:15A-6). No application shall be accepted for the purchase of credit for the service if, at the time of application, the member has a vested right to retirement benefits in another retirement system based in whole or in part upon that service. The member may purchase credit for the service by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary as being applicable to the member's age at the time of the purchase, to the member's salary at that time, or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership, whichever is greater. The purchase may be made in regular installments, equal to at least 1/2 of the full normal contribution to the retirement system, over a maximum period of 10 years. The employer of a member who applies, pursuant to this section, to purchase credit for public employment with the United States Government or for military service in the Armed Forces of the United States shall not be liable for any payment to the retirement system on behalf of the member for the purchase of this credit.

Notwithstanding any provision of this act to the contrary, a member shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees when purchasing credit for public employment in other states or with the United States Government or military service in the Armed Forces of the United States or with a bi-state or multi-state agency.

Any member electing to [purchase the service] make a purchase pursuant to this section who retires prior to completing payments as agreed with the retirement system will receive pro rata credit for [service purchased] the purchase prior to the date of retirement, but if the member so elects at the time of retirement, the member may make the additional lump sum payment required at that time to provide full credit.

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(cf: P.L.1991, c.153, s.2)

3. This act shall take effect immediately.